

Export Development Act

look at that amount of money in terms that we can understand. It is about a third of the public revenue of Canada.

The Minister of Finance (Mr. Lalonde) estimated that the deficit this year will be some \$30 billion, so this is a significant portion of the estimated deficit for this fiscal year. In round terms, it is perhaps about a quarter of the entire public expenditure of the Government of Canada. We are looking at an awful lot of money. Quite frankly, Sir, I do not trust the Government with that amount of taxpayers' money. I would like to see it come back to Parliament from time to time to explain its proposals for how it will use that amount of money.

There is a board of directors for the corporation in place and the Government plans to appoint more members to that board. Undoubtedly, the majority of the members of this board of directors, if not all of them, will be competent people in their own right and will try to do what, to their way of thinking, is the best thing to do to protect the interests of the Canadian taxpayers who foot the bill or might eventually become liable. However, we must remember that everyone is human and can make mistakes from time to time. In the case of the Export Development Corporation, even if the members of the board of directors used their discretion to say that this piece of business is something they could not engage in, the Ministers involved could override them. I believe that there is considerable potential for abuse within the Export Development Corporation unless from time to time it has to come back to the House or committees thereof to explain its need for funds.

There are different types of abuse that could occur. Probably the abuse least likely to occur is the handing over of money or the making of guarantees to somebody who happens to support a particular political Party, undoubtedly the Party in office at that time, or that business would be transacted because of personal friendships or the like. That type of abuse has not been completely unknown in the past, but I do not think that that is the main area of potential abuse.

I will give you an example, Mr. Speaker, of the type of abuse that I am worried about which I think is likely to happen and would occur when the Government would like to hide mistakes. Say, for instance, there was an aircraft corporation that was getting itself into severe difficulties. It had been in difficulties before and it did not want to come back and publicly ask for more money because there was an election to be conducted in the near future. It would be very embarrassing to have this corporation bailed out once more by the Government with the full glare of publicity upon it. What could happen is that moneys could be made available through the Export Development Corporation. A deal could be made with some countries to sell these aircraft at fire sale prices and the balance would be picked up through the Export Development Corporation. The Government would be buying time over the election period in all probability. That is the type of abuse that, in my opinion, is most likely to occur.

If we look at the past practices of the corporation, we will see that it has tended to concentrate on large loans to large corporations rather than on a number of smaller loans to a number of smaller businesses. I would prefer to see it the other

way around. I believe that if the corporation had to explain to a parliamentary committee what it was doing once every few months, we might see a greater emphasis put on the making of a larger number of loans to smaller businesses. That is the area in which the Export Development Corporation could best use the funds that it has available. A large corporation which has done a lot of export business in the past should have established means of financing its business. That financing is much more difficult for a new company to obtain.

I could go on a great deal longer, and in fact I intend to do so the next time this matter comes up for debate, Mr. Speaker. I believe that it is well worthwhile putting some of these fears on the record.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-110, an Act to amend the Export Development Act, and amendments 3 and 5 as moved by my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn). Motion No. 3 calls for a reduction of the authorized capital of the corporation from \$2 billion to \$1,000,000,100. I submit that this is a step in the right direction, as is Motion No. 5 which seeks to curtail the borrowing authority.

● (1710)

On this side of the House we are very much concerned about this Bill. We believe that Parliament, and Parliament alone, should have control over the public purse. I say this because of our fear of what is happening to the finances of Canada.

When I served as Chairman of the Public Accounts Committee I remember that Canada's Auditor General—at that time the late Mr. James Macdonell—stated in his 1975 report that "the Government has lost or is close to losing control of the public purse." Massive deficits year after year showing expenditures greatly in excess of income served to buttress Mr. Macdonell's comments. His successor, Mr. Kenneth Dye, has made similar comments in his report.

In the Bill before us there is another expansion of Crown corporations and the Public Service of Canada. On the one hand, the Government talks about restraint, yet this Bill proposes, in its explanatory notes, to increase the number of members of the board of directors from 12 to 15. It is this kind of what I call left-handed restraint, multiplied over and over throughout Government, which is bringing this Government and this country to its knees.

I grant that someone should be on the board from the Department of Industry, Trade and Commerce, from the Department of Finance and certainly from the Department of External Affairs, but I see no reason why the other board members should not be appointed from private industry. In my view the total number of members should be 12, not 15. After all, this is supposed to be an Export Development Corporation, and who knows better than the directors of private companies that Canada must increase its exports or die, economically. If anyone doubts that statement I would ask them to speak to the management personnel of Atlantic Canada's fishing industry